

CRL has dubbed much of subprime lending—loans to high-risk candidates with low credit ratings—as “predatory” despite little evidence to support such claims. Yet the group is lobbying to change existing laws to allow high-risk borrowers to adjust the terms of their mortgages. This would benefit those making a financial gamble on future trouble in subprime mortgages.

On October 12, 2007 Business Week published an unusual report on the apparent philanthropy of a billionaire hedge fund investor who gave a multi-million-dollar grant to CRL. But there was more to the story: “A \$20 billion hedge fund may have hit on a unique investment strategy for playing the subprime mortgage bust: fund a consumer-protection group. Paulson & Co., which has seen its assets under management soar this year through fortuitous bets in the subprime market, has given \$15 million to the Center for Responsible Lending, a Washington non-profit that has been lobbying on Capitol Hill for passage of bankruptcy legislation.”

“Paulson, run by former Bear Stearns (BSC) investment banker John Paulson, stands to rake in a windfall if the measure passes. The key bill, introduced last month, would allow federal judges to restructure mortgage terms and lower payments on the primary homes of borrowers in bankruptcy, a significant legal change. The process, known as a “cram-down” in industry jargon, is opposed by investment banks that trade in mortgage-backed securities.”

According to CRL and Paulson, the donation was not to be used for lobbying, but the Washington, D.C.-based Politico noted that CRL is “a key supporter of pending legislation that would allow homeowners to reduce mortgage payments on their homes by declaring Chapter 13 bankruptcy.” Enactment of CRL-supported bankruptcy legislation would further erode the value of mortgage-backed securities, which would increase the value of Paulson’s holdings.

The subprime gamble is a big business opportunity for Paulson, whose firm, according to Bloomberg financial news: “. . . made big bets predicting the edifice would soon come crashing down. The wager paid off in the first nine months of 2007, when Paulson’s Credit Opportunities funds rose an average of 340 percent.”

“That gain earned Paulson an estimated \$1.14 billion in performance fees for the nine months ended on Sept. 28.”

A spokesman for traditional financial institutions added, “When they start pushing for legislation to make more money, they’re lining their own pockets with people’s homes, that’s a little sticky.”

There is little evidence to suggest that Paulson’s donation represents merely a one-time payment to CRL. It seems likely that the original \$15 million donation was part of a multi-year campaign to profit off of American consumers’ mortgage woes.

The press release announcing the first donation disclosed that Paulson “said he hopes that his firm’s donation is just the beginning . . .” Indeed, as of July 2007, Paulson specifically stated that his investment horizon was two to three years, saying of his subprime bet: “The performance of these pools will not be decided over one month or two months. They will be decided over the next three years. Our investment (commitment is not based on) looking at what these bonds trade at today or tomorrow, but what the losses in these pools will be two or three years from now.”

CONCLUSION

America’s working poor and low-income individuals often benefit from well-intentioned advocates. But when those who claim to speak on behalf of the vulnerable use their

position to benefit themselves, it is an act of betrayal. The public record demonstrates clearly that the Center for Responsible Lending and its Self-Help network fit this profile.

CRL’s research is agenda-driven. Its advocacy has cost consumers more than it has “saved” them, according to Federal Reserve research. It relies on race-based claims to generate media interest. And it takes money from self-interested Wall Street billionaires who profit from the mortgage crisis so astutely hyped by CRL.

Self-Help takes in money at low rates and charges generous mark-ups to its low-income consumers. Federal records show Self-Help’s credit union allows its borrowers a much higher average loan rate compared to similar organizations, a critique at odds with CRL’s attacks on lenders who extend too much money to those who may have trouble repaying their loan. Finally, Self-Help loses its charitable image when it takes legal action against its low-income customers.

There is a name for such groups: predatory charity.

RECOGNIZING THE CAPITAL AREA DISTRICT LIBRARY ON THE OCCASION OF ITS TENTH ANNIVERSARY

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 2008

Mr. ROGERS of Michigan. Madam Speaker, It is my special privilege to honor the Capital Area District Library as they celebrate their 10th anniversary. I congratulate the Capital Area District Library community on behalf of all those who have benefited from their dedication and commitment to serving the members of the community.

The Capital Area District Library has an impressive history of community service and involvement since being formed in 1998, through an agreement between Ingham County and the city of Lansing, MI. Sensing most of Ingham County, the Capital Area District Library operates 13 libraries and it bookmobile, which stops throughout the county. Each library location provides residents with access to all materials and services offered by Capital Area District Library. For the past 10 years, the Capital Area District Library has been able to grow and adapt to the changing needs of the community. It has shown remarkable progress in serving the citizens of Lansing and the residents of Ingham County.

The Capital Area District Library is committed to the values of a democratic society. They aim to provide access to ideas and information that support continuous learning and enhance the quality of life of citizens. They reach these goals through community-based services, excellence in patron service and technology that links its libraries to the world of information. Their blend of a classic library decor, with new up-to-date technology, ensures uniqueness and utility. As part of their mission to provide access to useful information, the Capital Area District Library offers an interactive website that is dedicated to assist the public with questions and keep them informed about their community. I am confident that the Capital Area District Library will continue to flourish and enhance the Ingham County area for years to come.

Therefore, Madam Speaker, I ask our colleagues to join me in honoring the Capital

Area District Library as they celebrate their 10th anniversary. May others know of my high regard for the tradition and strength this organization represents.

PERSONAL EXPLANATION

HON. JOHN T. SALAZAR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 2008

Mr. SALAZAR. Madam Speaker, last night the House voted on a motion to instruct the House conferees on H.R. 2419, the Food and Energy Security Act of 2007. I was unavoidably detained and was unable to be here for the vote. Had I been present, I would have voted “aye” on the motion.

187TH ANNIVERSARY OF GREEK INDEPENDENCE

HON. JOE COURTNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 10, 2008

Mr. COURTNEY. Madam Speaker, on March 25, 2008, we celebrated the 187th anniversary of Greek independence. I join with millions of Greek Americans in Connecticut and across the country in marking the anniversary of the successful rebellion of the Greek people against the Ottoman Empire.

This anniversary offers us an opportunity to reflect on the long standing bonds between Greece and the United States. Our Founding Fathers drew from the ideals of ancient Greece, whose leaders wrote about the ideas of a republic. Thomas Jefferson called ancient Greece the “light which led ourselves out of Gothic darkness.” In turn, Greek patriot Adamantios Korais in 1823 collaborated with Jefferson on the construction of a new constitution for Greece, drawing on the tenets of America’s groundbreaking democracy.

Following the Greek War of Independence, Greeks came to study at American universities at the urging of missionaries. But the real surge in Greek immigration came later in the 19th century, when newly arrived Greek Americans provided a catalyst for our Nation’s economic growth, working in textile mills and on railroads across New England and in businesses across America. The Greeks who had provided inspiration for our democracy, now directly delivered their commitment to family and hard work to form strong communities in New York, Boston, Chicago, Detroit, Hartford, and across eastern Connecticut to add to the fabric of our American society. Today, over 3 million Americans claim Greek heritage, the descendants of the fathers and mothers of democracy.

As we recognize this important anniversary of Greek independence, I join in delivering the best wishes and congratulations from the American people to the people of Greece. We celebrate the historic ties between our two nations, and the legacy of democracy we have together shared with the world.